

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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December 11, 2003

TO: Internal File

THRU: Daron Haddock, Permit Supervisor

FROM: Wayne H. Western, Environmental Scientist III, Bonding

RE: Midterm Bear Canyon, Co-Op Mining Company, Bear Canon Mine, C015/0025,  
Task ID #1242

### **SUMMARY:**

As part of the midterm review, the Division evaluated the bond amount. The Division's reclamation cost estimate was \$1,913,000 and the bond amount is \$1,825,000. The Division has a policy that gives the Division discretion to not increase the bond amount if the difference between the bond and the cost estimate is less than 5%. The Division determined that an increase is not needed at this time.

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**TECHNICAL ANALYSIS:**

**RECLAMATION PLAN**

**BONDING AND INSURANCE REQUIREMENTS**

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

**Analysis:**

**Determination of Bond Amount**

As part of the midterm review, the Division examined the reclamation bond and cost estimate. The reclamation bond is \$1,825,000 and the reclamation cost estimate is \$1,913,000.

Under the Division informal bonding guidelines a bond increase is only needed when the reclamation cost estimate exceeds the bond amount by more than 5%. The reason for this is to prevent bond adjustments for minor project.

The Permittee indicated that they will be adding new facilities in the next few months and will be doing demolition work. Those activities will affect the bond amount. The Permittee ask that the bond amount not be increased at this time.

The Division determined that a bond increase was not needed at this time but reserves the right to increase the bond to the reclamation cost estimate at anytime. When the Permittee submits new bond calculations the Division will change the escalation date to midterm to midterm and require that a copy of the Division's reclamation cost estimate in included in the MRP.

**Findings:**

The information in the MRP and bond amount is adequate to meet the requirements of this section of the regulations pertaining to the midterm review.

**RECOMMENDATIONS:**

The Division should consider the midterm review complete and that no action need be taken at this time.